



GOVERNMENT OF KHYBER PAKHTUNKHWA,  
RELIEF, REHABILITATION & SETTLEMENT  
DEPARTMENT

Dated Peshawar the 16<sup>th</sup> August, 2013

**NOTIFICATION**

**No PDMA/F&A/PDMF/2013.** In pursuance to Section 30(1) of the National Disaster Management Act, 2010, the Provincial Disaster Management Fund (PDMF) is established in the Provincial Disaster Management Authority, Khyber Pakhtunkhwa with immediate effect. The following Accounting Procedure for operation / utilization of the Provincial Disaster Management Fund having been vetted by the Controller General of Accounts, Government of Pakistan vide letter No 131/AC-II/4-348-A/2012/PDMA, dated 04.07.2014 and NOC issued by the Finance Department, Government of Khyber Pakhtunkhwa vide letter No. BO IX/FD/1-20/2013-14, dated 30.06.2013 shall be followed.

1. **Short Title and Commencement:-**

- a) This Accounting Procedure shall be called the "Accounting Procedure for Operation/Utilization of the Provincial Disaster Management Fund"
- (b) It shall come into force immediately.

2. **Definitions:**

In these accounting procedures unless there is anything repugnant to the subject or context;

- a) "Act" means the National Disaster Management Act, 2010;
- b) "Account Holder" means the Director General PDMA, Khyber Pakhtunkhwa;
- c) "Authority" means, the Provincial Disaster Management Authority, Khyber Pakhtunkhwa;
- d) "Authorized Officer" means an officer authorized by the Director General;
- e) "BANK" means the National Bank of Pakistan or any other Bank in whose custody the proceeds of the Fund are kept and invested;
- f) "Committee" means Committee established under Section 15(B) of the Act;

- g) "Chairman" means the Chairman of the Authority;
- h) "Director General" means the Director General of the Authority;
- i) "DDO" means the Drawing and Disbursing Officer of the Authority;
- j) "DDMU" means the District Disaster Management Unit established under Section 18 of the Act;
- k) "Disaster" as defined in the Act;
- l) "Disaster Management" means managing the complete spectrum of disaster including:-
  - (i). Preparedness;
  - (ii). Response;
  - (iii). Recovery and Rehabilitation; and
  - (iv). Reconstruction
- m) "Fund" means the Provincial Disaster Management Fund;
- n) "Government" means the Government of Khyber Pakhtunkhwa;
- o) "Month" means the calendar month;
- p) "Prescribed" means prescribed by rules and procedures made under the Act;
- q) "Relief" means assistance of any kind of the affectees of natural or human induced disasters; and
- r) "Year" means the Financial Year.

3. **Business Process and Functions of the Authority.**

3.1 Organizational Chart of the Authority is at Annex-A. Powers and functions of the Authority are enumerated below:-

- 3.1.1. lay down the Provincial disaster management policy;
- 3.1.2. lay down the Provincial Plan in accordance with the guidelines laid down by the National Commission;
- 3.1.3. approve the disaster management plans prepared by the departments of the Provincial Government;
- 3.1.4. review the implementation of the plan;
- 3.1.5. oversee the provision of funds for mitigation and preparedness measures;
- 3.1.6. review the development plans of the different departments of the Province and ensure that prevention and mitigation measures are integrated therein;
- 3.1.7. review the measures being taken for mitigation, capacity building and preparedness by the departments of the Provincial Government and issue such guidelines or directions as may be necessary; and



3.1.8. direct the Provincial Authority to undertake any project under its administrative control for the purpose of expedient recovery including relief, rehabilitation, reconstruction and settlement etc, of the affected people.

**4. Sources of Provincial Disaster Management Fund (PDMF)**

4.1. The Fund shall be financed from the following sources, namely:

4.1.1. Grants made by the Federal Government or Provincial Government;

4.1.2. Loans, aid and donations from the national or international agencies.

4.1.3. Donations received from any other source;

4.1.4. Income from Interest, if any, received from bank accounts; and

4.1.5. Income/deposits from any other source.

**5. Applicability/Objects of utilization**

5.1. The Fund shall be applicable and utilized in the following manner:

5.1.1. All transactions intended to be financed through the Fund including:

(a) Meeting the expenses on activities and transactions related to its establishment, operation, disaster preparedness, response, mitigation, relief and reconstruction as prescribed in Section 30(4) of the Act;

(b) District Units and other departments/organizations/agencies financed out of the Fund for disaster preparedness, response, mitigation, relief and reconstruction; and

(c) All projects / transactions relating to emergency preparedness, response, mitigation, relief and reconstruction shall be clearly laid down, properly evaluated, and duly processed with full justification; and approved by the Authority

**6. Control over cash**

**6.1 Remittance into Account**

6.1.1. All proceeds received in the name of the fund will be credited to the Bank Account opened in the National Bank of Pakistan, Police Road Branch, near Civil Secretariat, Peshawar.

6.1.2. Accounts of the funds shall be maintained by the Finance Wing of the Authority.



6.1.3. The money required for immediate disbursement will be transferred from the account of the Fund maintained at National Bank of Pakistan for further utilization for the purposes mentioned in para 5.

## 6.2. Procedure of Payment

6.2.1 The Deputy Director Finance of the Authority shall assist the Director General in the discharge of his responsibilities in connection with transactions pertaining to the Fund. The Director General shall be responsible to ensure observance of these accounting procedures. The process of implementation of these procedures shall, however, generally be guided by provisions of Accounting Policies & Procedures Manual, General Financial Rules and Treasury Rules of the Governments of Pakistan and Khyber Pakhtunkhwa, wherever applicable.

6.2.2 The following steps will be followed in all payments:

- i. Accord of approval of expenditure by the competent authority as per delegation of powers.
- ii. Preparation of claim voucher (bill) for payment.
- iii. Accord of financial sanction for the incurrence of expenditure by the competent authority as per delegation of powers.
- iv. Availability of purchase order / claim voucher.
- v. Issue of cheque by the delegated officers.
- vi. Recording of expenditure in the accounting records.

## 7. Drawing from Bank:

7.1. Payment / withdrawal from the Fund shall be effected only after obtaining formal approval / clearance of the proceeds of the Fund, all codal formalities shall be fully adhered to. Crossed Cheques, Payment Orders and any other payment instrument drawn upon the Fund shall be jointly signed by the Director General and the Deputy Director Finance of the Authority.

7.2. An officer in BS-17 or above of the Authority shall be appointed as Drawing and Disbursing Officer (DDO).

7.3. Funds shall be drawn from the bank through cheques.

7.4. Cheque / payment advices shall be signed jointly by the Director General and Deputy Director Finance of the Authority.

7.5. Only one cheque book at a time shall be obtained from the bank. Cheque book shall be kept under lock and key in the personal custody of the DDO.

- 7.6. All cheques shall be written in indelible ink.
- 7.7. The cheques drawn in favour of the Government officers and departments in settlement of Government dues shall be crossed "A/C payee only-not negotiable".
- 7.8. No cheque shall be issued with corrections or alterations. If corrections or alterations in cheque become unavoidable then it shall be cancelled and destroyed in the presence of an authorized officer and a fresh cheque shall be issued.
- 7.9. In case of cancellation of cheque, the cancellation shall be recorded on the counterfoil and if in drawer's possession shall be destroyed. In case, the cheque is not in the drawers' possession, he shall promptly request the bank to stop payment of the cheque and on ascertaining that payment has been stopped an entry shall be made in the accounts.
- 7.10. In case of loss of cheque, DDO shall ask bank to furnish "Non-payment Certificate".
- 7.11. On receipt of the certificate an entry shall be made in the account that original cheque has been cancelled and fresh cheque shall be issued.
- 7.12. Specimen signatures of the officers authorized to draw cheque shall be sent to bank for record. The date on which an officer ceases to function as signatory due to his transfer or otherwise, bank shall be intimated at once.
- 7.13. Payment may also be made by issuing payment advice to the bank for transferring money from the Fund's account to a third party's account. All such advices shall be kept under separate binders.
- 7.14. A proper bill shall be prepared by the spending unit (DDO) after sanction of the Competent Authority clearly mentioning the purpose for which the expenditure is made / to be made on account of emergency preparedness, response, mitigation, relief and reconstruction.
- 7.15. The bill shall be supported by all relevant documents / information / minutes /sanction etc.
- 7.16. Payment shall be made through cheque by the Accounts Section, when the bill is approved by the Director General PDMA and the cheque voucher is duly prepared.
- 7.17. A separate account/register for withdrawal for each kind of expenditures shall be maintained and signed by the Deputy Director Finance.
- 7.18. No payment shall be made unless:
  - 7.18.1. The Director General has approved the bill.

7.18.2. Withdrawal of amount from the Fund shall be permissible only for authorized objects under the joint signatures of the Director General and Deputy Director Finance.

7.19. No bill shall be required in case of releases to the District Administration/DDMUs Deputy Commissioner for disaster mitigation and relief activities or to any other agency for the said purpose. The detailed account of expenditure incurred by the district against the released amount shall be rendered by the Deputy Commissioner to PDMA for accounting process and production to audit.

**8. Maintenance of Cash Book:**

8.1. There shall be two separate Cash Books, one Local Currency (Pak Rupees) Account and the other for Foreign Currency (US Dollars) account. The DDO shall be responsible for proper maintenance of accounts and record keeping, including the maintenance of the Cash Books and any other ancillary record relating to the Fund.

8.1.1. A special designated account in favour of Director General, PDMA, Khyber Pakhtunkhwa, shall be established in the National Bank of Pakistan with the approval of Finance Department, Khyber Pakhtunkhwa;

8.1.2. Accounts of PDMF shall be maintained in accordance with the Chart of Accounts (COA).

8.1.3. The accounts shall be maintained as per practice of Controller General Accounts/Auditor General of Pakistan (AGP) and New Accounting Model as amended from time to time.

8.1.4. NDMA shall follow the Chart of Accounts prescribed by the CGA.

8.1.5. Every deposit made in the PDMF or any transaction drawn from the PDMF shall be entered in the register maintained for the purpose and the source/purpose of deposit made in the account(s) or transaction drawn from the account(s) shall be specifically mentioned in the said register

8.1.6. A cash book of receipts and expenditure will be maintained by the DDO of the Authority;

8.1.7. Complete and accurate cash book for each and every account of the PDMF shall be maintained;

8.1.8. The Finance Committee may, with consensus, recommend shifting of the account of the Fund to any other bank / account or invest any such money or a portion of money which is not required for immediate investment in any profit earning scheme for a specific period in any of the scheduled banks for the sake of better return;

- 8.1.7. As a general rule, a fully vouched bill setting forth full and clear particulars of the claim must support every payment. A cash book shall be maintained in the Form T.R.4;
- 8.1.8. The Cash Book must be closed on the date prescribed for closing the cash account of the month. When the transactions are numerous, a weekly or daily closing shall be made;
- 8.1.9. The Deputy Director Finance must endorse every entry in the Cash Book;
- 8.1.10. The Deputy Director Finance shall reconcile its accounts on monthly basis after the close of cash account with the Bank. A monthly reconciliation statement shall be carried out in the first 10 days of the following month;
- 8.1.11. The Deputy Director Finance shall check all the entries in the Cash Book as soon as possible after the date of occurrence. He shall sign the Cash Book at the end of the month and such signature shall be understood as affixing responsibility for all the entries of this month inclusive of the closing month;
- 8.1.12. All monetary transactions shall be entered in the cash book as soon as they occur and attested by the signatory;
- 8.1.13. The cash book shall be closed regularly and completely checked. The DDO shall verify the totals of the cash book and record a certificate to that effect;
- 8.1.14. On deposit of money into bank, the DDO shall compare the bank's receipt with the entry in the cash book before attesting it and satisfy himself that the amount has been actually credited into the bank.
- 8.1.15. An erasure or over-writing of any entry in the cash book shall be strictly prohibited. If a mistake is discovered, it shall be corrected by drawing pen through the incorrect entry and inserting the correct on red ink between lines. The drawing and disbursing officer shall endorse/verify every such correction with proper mentioning of date.
- 8.1.16. The cancellation of a cheque shall be entered in the cash book by exhibiting the amount of the cheque as a minus figure on the payment side in the "Bank" column. A counter reference of cancellation of cheque shall also be given against the original entry of payment in the cash book.
- 8.1.17. If the currency of a cheque expires owing to its not being presented at the bank for payment within the prescribed period, it shall be received back by

the drawing office and destroyed. A new cheque in lieu of it shall be issued. On ascertaining that payment has been stopped, an entry shall be made in the accounts.

8.1.18. In case of loss of cheques, DDO shall ask the bank to furnish "No Payment Certificate"

8.1.19. On receipt of the certificate an entry shall be made in the account that original cheque has been cancelled and fresh cheque has been issued.

8.1.20. Specimen signatures of the officers authorized to draw cheque shall be sent to bank for record. The date on which an officer ceases to function as signatory due to his transfer or otherwise, bank shall be intimated at once; and

8.1.21. Payment may also be made by issuing "Payment Advice" to the bank for transferring money from the Fund's account to a third party's account. All such advices shall be kept under separate binders;

8.2. Besides above, the following reports / books shall also be maintained by the Authority through DDO:-

8.2.1. Cheque Book Register;

8.2.2. Cheque Register;

8.2.3. Stock Register, Dead Stock Register and Register of Contract;

8.2.4. Register of Assets;

8.2.5. Budget Control Register / Statement of Releases;

8.2.6. Disbursement Register;

8.2.7. Project – wise statements of Expenditure;

8.2.8. Register of Advances (Advance Payments);

8.2.9. Record of reconciliation with the bank and treasury / AG; and

8.2.10. Transfer Entry Order Register

## 9. **Manner of Payment and Recovery**

9.1. All payments shall be made through Crossed cheques.

9.2. No cheque shall be issued for payment in advance unless covered by rules.

9.3. Any excess payment made to any contractor or person on account of any expenditure shall be recovered from the concerned contractor or the person and shall be deposited into the Bank account of the FUND by the Deputy Director Finance.



9.4. In case of emergency, all kinds of laid down procedures including issuance of tendering etc. shall stand relaxed as per Section 32 of the National Disaster Management Act, 2010, and payment out of the Fund shall be directly made to the contractor(s) or person(s) for the supply of food and non food good, works and services “at the reasonable rates” with the approval of Director General provided that the required formalities shall be completed as per rules.

**10. Limit of Payments**

10.1. There shall be no limit on the payment of expenses on account of operations, relief services, reconstruction and rehabilitation activities etc during emergencies.

10.2. Other expenditure shall depend on the type of activity and shall be predetermined and duly sanctioned

**11. Financial Statements:**

11.1 The Following statements will be prepared on monthly and annual basis as under:-

- a) Statement of receipts and payments
- b) Statement of assets and liabilities (Memorandum Record)

11.2 The accounts shall be closed on 30<sup>th</sup> June of the calendar year and accounts shall be submitted to the Accountant General, Khyber Pakhtunkhwa on 31<sup>st</sup> August of the calendar year.

11.3 Every year in the Month of June, the Authority shall submit to the government for approval, annual statement of the Fund showing details of different accounts maintained under the Fund, the money deposited in the accounts, the interest / profit earned on different investment schemes and the expenses incurred on account of different activities relating to disaster preparedness, response, mitigation, and relief and reconstruction. The preparation of budget estimates shall be in accordance with budget circular of the Provincial Government (Finance Department).

11.4. The Annual Financial Statement will be prepared for the financial year by 31<sup>st</sup> August of each calendar year and submitted to the Director General Audit, KhyberPakhtunkhwa for the purpose of external audit. After necessary

verification by the Director General Audit Khyber Pakhtunkhwa, the same will be submitted to the Provincial Government.

12. **Reconciliation of Receipts / Expenditure**

12.1. At the close of each month, DDO shall reconcile its books of accounts with the bank, the reconciliation shall be performed in accordance with the policies and procedures set out in the Accounting Policies and Procedure Manual, General Financial Rules and Treasury Rules. The receipts and payments shall be reconciled with the bank on monthly basis. In case of numerous transactions, the fortnightly reconciliation shall be carried out with the bank. The Drawing and Disbursing Officer shall record following certificates:-

12.1.1. Bank certificate showing, present balance of the last day of each month.

12.1.2. Bank reconciliation on the format drawn up in order to agree the bank balance as per bank certificate with the bank balance as shown in the accounts.

12.1.3. DDO shall be responsible for the reconciliation of receipts and payments of Fund under the supervision of Deputy Director Finance.

13. **Receipts:**

13.1. All moneys received in the Authority shall be acknowledged on the prescribed receipt, under the signature of the authorized officer. All transaction to which any officer/ staff of the Authority in his official capacity is a party must without any reservation is to be recorded in the books of accounts.;

13.2. The income accrued as a result of interest earned on the proceeds of the Fund shall be treated as revenue component of the Fund and will be part of Fund. Separate record shall be maintained regarding the profit earned from the Fund. Such record of the income/interest shall be updated on monthly basis and will be shown in the monthly and annual accounts.

14. **Financial Management / Administration:**

**Financial / Powers**

14.1 In case the office of the Director General falls vacant due to any reason, the senior most Director of the Authority shall assume the functions of the Director General for the purpose of the Fund, in times of Emergency or Disaster Only, save as directed otherwise, by the Provincial Government. The

exercise of such functions by the senior most Director shall not be applicable in normal circumstances.

**15. Observation of Rules and Regulation:**

15.1 The rules and orders of the Provincial Government for the time being in force that apply mutatis mutandis to Authority will be observed provided that all powers for implementation shall be exercised by the Director General or by any officer authorized for the purpose. If any difficulty arises in giving effect to any of these rules / orders, the Chairman of the Authority in exceptional cases may relax any of these rules, reasons to be recorded in writing.

**16. Documentation and Record Keeping:**

16.1 The Authority shall maintain in safe custody proper record of all transactions to meet the requirement of internal and external audit.

**17. Drawing and Disbursing Officer:**

16.1 The Drawing and Disbursing Officer shall perform his/her duties under the supervision of the Deputy Director Finance. The Deputy Director Finance shall be directly answerable to the Director General regarding operation of the Fund.

**18. Expenditure Sanctions:**

18.1 The Authority shall be competent to sanction expenditure within the provisions of Act.

**19. Purchases:**

19.1 The Khyber Pakhtunkhwa Procurement of Goods, Works and Services Rules 2003 (as amended from time to time) and the rules to be framed under the Public Procurement Regulatory Authority Act, 2012 shall be followed. For emergency purchases, Section 32 of the Act shall be followed.

**20. Safe Custody of Cheque Books:**

20.1 The number of cheque leaves in the cheque books received from the Bank shall be counted and stamped.

20.2 The safe custody of Cheque Books shall be the responsibility of the authorized officer and the same shall be kept in the "iron safe". The cheques will be signed jointly by the Director General and the Deputy Director, Finance of the Authority.

20.3 Cancelled cheques shall be carefully preserved until the accounts for the period have been audited and shall be destroyed as per procedure of the Provincial Government.

- 20.4 If a cheque is lost or destroyed, an intimation of the fact shall be given at once to the bank and its payment shall be stopped.
- 20.5 Fresh cheque in lieu of a misplaced / destroyed cheque shall be issued as per procedure laid down above.
21. **Write off losses:**
- 21.1 The loss of any articles shall be written off under the orders of the Director General, if the cost does not exceed Rs. 2,000,000/- and the Chairman of the Authority, if the cost exceeds this limit.
22. **Dead Stock:**
- 22.1 All consumable articles and non-consumable articles costing more than Rs10,000/- shall be entered in the relevant stock register under the signature of the authorized officer.
- 23.2 Physical stock taking will be carried out on yearly basis.
- 23.3 All un-serviceable articles shall be written off / auctioned under the orders of the Director General.
23. **Budget**
- 23.1 Each year in the month of June, annual budget of the Authority shall be prepared for each financial year starting from 1<sup>st</sup> July and ending on 30<sup>th</sup> June of the succeeding year which shall include the income from various sources and estimated expenditures of the Authority on account of salary, non salary, operational, preparedness, response, recover, rehabilitation and reconstruction. The procedure and forms prescribed by the Provincial Government shall be followed
24. **Audit**
- 24.1 **Audit of Expenditure:** Accounts shall be audited by the Auditor General of Pakistan in the prescribed manner.
- 24.2 On receipt of the Audit Report from the Auditor General of Pakistan or his authorized representative, working paper against each audit observation(s) shall be prepared and submitted to the Principal Accounting Officer for holding Departmental Accounts Committee (DAC) meeting and get finalized the process up to the month of December following each financial year.
- 24.3 **Internal Audit:** The Assistant Director Internal Audit of the Authority shall conduct internal Audit of the Accounts of the Fund in prescribed manner.

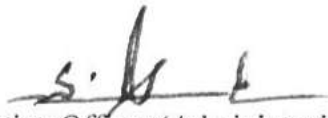
24.4 **Demands for Information by Audit:** No such information or any book or other document(s) to which the Auditor General of Pakistan has statutory right of access may be withheld from the Audit.

  
(AURANGZEB)  
Secretary Relief, Rehabilitation &  
Settlement

**ENDST No & DATE EVEN**

Copy of the above is forwarded for information to the: -

1. The Controller General of Accounts, Government of Pakistan, CGA Complex, FBC Building Islamabad with reference to his letter No 26/AC-II/4-348/2012/PDMA, dated 21.03.2013.
2. Secretary Finance Department, Government of Khyber Pakhtunkhwa with reference to his letter No BO IX/FD/1-20/2013-2014, dated 30.7.2013.
3. Secretary, Relief, Rehabilitation & Settlement Department, Government of Khyber Pakhtunkhwa, Peshawar.
4. All Commissioners, in Khyber Pakhtunkhwa.
5. The Accountant General, Khyber Pakhtunkhwa, Peshawar.
6. The Director General Audit, Khyber Pakhtunkhwa, Peshawar.
7. All Deputy Commissioners in Khyber Pakhtunkhwa.
8. The Manager, National Bank of Pakistan, Police Branch, Civil Secretariat, Peshawar.
9. The Manager, Government Printing Press, Khyber Pakhtunkhwa, Peshawar with the request to print this notification in the official gazette and provide 100 printed copies of said to PDMA.

  
Section Officer (Administration)